

SENATE BILL REPORT

SB 6221

As of January 15, 2010

Title: An act relating to the clarifying and expanding participation in the Washington state local government investment pool.

Brief Description: Concerning clarification and expansion of eligibility to use the state's local government investment pool.

Sponsors: Senator Fairley; by request of State Treasurer.

Brief History:

Committee Activity: Ways & Means: 1/19/10.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Steve Jones (786-7440)

Background: By state law, the State Treasurer is responsible for the management and investment of surplus cash in the state treasury and in nontreasury accounts in the custody of the State Treasurer.

Other public funds not under this management authority include moneys held by local governments and state agency accounts outside of the state treasury.

In 1986 the Legislature created the Local Government Investment Pool to maximize the prudent investment of local government funds by authorizing political subdivisions of the state to place their surplus under the management of the State Treasurer, who was authorized to aggregate the funds for investment purposes.

Subsequently, the state's institutions of higher education were authorized to participate in the Local Government Investment Pool.

The State Treasurer, with the approval of the State Finance Committee, is authorized to issue financing contracts, on behalf of various public entities, for the acquisition of real and personal property. These financing contracts, also known as certificates of participation, may be issued on behalf of state agencies, state institutions of higher education, agricultural commodity commissions, local governments and political subdivisions, and other public entities.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: The list of public entities authorized to participate in the Local Government Investment Pool is expanded to include federally recognized tribes, state agencies, and any entity issuing a financing contract approved by the State Finance Committee.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.